

**FSA**  
FEDERAL  
STUDENT AID*We Help Put America Through School*

March 29, 2005

Francine Hall  
President  
Si Tanka University  
435 North Elm Street  
PO Box 220  
Eagle Butte, SD 57625-0220

Certified Mail  
Return Receipt Requested  
Receipt # 7004 0550 0001 0789 8208

OPE ID: 03019200  
Duns: 119384063  
Pell ID: 030192

**RE: Reimbursement Notification**

Dear Ms. Hall:

This is to inform you that the School Participation Team, NW-Denver ("Team") has transferred **Si Tanka University** ("Institution"), located at 435 North Elm Street, and all additional locations to a system of payment by reimbursement effective March 29, 2005.

Under the reimbursement system, the Institution may continue to obligate funds under the Title IV, Higher Education Act, student financial assistance programs. However, current *Federal Title IV cash on hand* may be disbursed to eligible students, only with the approval of the School Participation Team through the reimbursement process.

If the Institution makes disbursements with its own funds in lieu of Title IV advance payment, the U.S. Department of Education, ("Department"), will reimburse it for properly documented expenditures. The Department reserves the right to offset any Federal claims against these funds due to the Institution.

This action is authorized by Section 415 of the General Education Provisions Act, 20 U.S.C. 1226a-1, and by the following program regulations: 34 CFR 668.162(a) and 668.162(d), Student Assistance General Provisions; 34CFR 668.167(d) and 682.604(a)(3) Federal Family Education Loan Program.

The Department is taking this action because Si Tanka University failed to submit its September 30, 2001, September 30, 2002 and September 30, 2003 A-133 Audits. The institution now has three missing audits and the School Participation Team; NW-Denver cannot renew the institution's PPA that expires on June 30, 2005 until the missing audits have been received through EZ-Audit.

1391 Speer Blvd., Suite 800, Denver, Colorado 80204-2512  
(303) 844-3677  
(303) 844-4695 Fax

**EXHIBIT 3**

**Ms. Francine Hall  
Si Tanka University  
Reimbursement Notification**

Submitting the required non-federal annual compliance audit within the regulatory timeframe has become a systemic problem for the institution as presented below:

Audit Period	Due Date	Date Rec'd	Days Late
10/1/03-9/30/04	6/30/05		0
10/1/02-9/30/03	6/30/04		273
10/1/01-9/30/02	6/30/03		639
06/26/01-9/30/01	6/30/03		639

The partial audit period 06/26/2001 – 09/30/01 results from the schools initial application for participation effective 06/26/2001.

The Institution may contact the School Participation Team, NW-Denver to discuss and show cause why this action is unwarranted. If you wish to discuss this matter, please call Harry C. Shriver Jr., Area Case Director at (303) 844-3677 ext. 116.

Enclosed are reimbursement instructions. As the instructions state, you must submit **separate** cash requests (ED Form PMS-270), for your Pell Grant, Perkins, FFEL and Campus-Based Title IV requests. Please address any reimbursement request along with the required supporting materials, as follows:

Joseph Hajek / Mitch Cary  
Reimbursement Analysts  
School Participation Team, NW-Denver  
U.S. Department of Education  
1391 Speer Blvd., Suite 800  
Denver, CO 80204

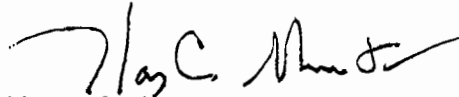
**In order to comply with the restrictions noted in this correspondence, the Institution must follow the enclosed instructions for requesting reimbursements.**

If you have any questions concerning the reimbursement system of payment, please contact Joseph Hajek at (303) 844-3677 ext 111.

**Ms. Francine Hall  
Si Tanka University  
Reimbursement Notification**

Please note that the foregoing action does not preclude the U.S. Department of Education from taking administrative action(s) against the Institution.

Sincerely,



Harry C. Shriver Jr.  
Area Case Director  
School Participation Team, NW-Denver

Enclosure

cc: Ms. Robin Minor, Director, Case Management Teams - NW/SE  
Ms. Mary Gust, Director, Administrative Actions and Appeals (AAA)  
Ms. Sherrie Bell, AAA Liaison to School Participation Team, NW-Denver  
Mr. Dan Whiting, Co-Team Leader, School Participation Team, NW-Denver  
Mr. Asad Shahid, Institutional Review Specialist, School Participation Team,  
NW-Denver  
Ms. Wynona Traversie, Financial Aid Director, Si Tanka University